



January 30, 2006

Robert E. Feldman, Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Dear Bank Regulators:

This letter is in response to your request for public comment on the proposed guidance with respect to concentrations in commercial real estate among your respective bank institutions.

I am the President and CEO of Community Bank & Trust of Florida. We are a state-chartered bank in Florida and members of the FDIC. Our bank is owned by a holding company which is regulated by the Federal Reserve.

Our bank is approximately \$300 million in total assets. We have roughly 10,000 deposit accounts and 1500 loans. Our board of directors reviews monthly loan and deposit reports which include detailed concentration reports at this time.

We have reviewed the proposed guidance and are very concerned with the additional reporting and oversight requirements.

We feel that additional reporting and/or oversight is unnecessary:

- Community Bank & Trust Of Florida already tracks concentrations in CRE and all other loan types. These concentrations, as well as underwriting exceptions, supervisory limit exceptions and ALL adequacy review are already reported to and reviewed by the Board on a monthly basis.
- Community Bank & Trust Of Florida is and has been aware of risks associated with CRE lending and our management feels our knowledge of our customers and our market area's economy, as well as our underwriting expertise, our existing loan policies and procedures, and our ongoing monitoring of projects allow us and our Board to adequately mitigate any extra risk associated with these credits. Our lending staff, management team, and Board are all intimately knowledgeable of our market area's economic "heartbeat" and we do not participate in out of market credits. We know our market and our customers. We have hosted appraisers, engineers, and attorneys in educational seminars for our lending and underwriting staff to help keep informed on the CRE market and associated risks.

- Our Management and Board are very interested and aware of the current CRE environment and market trends. We have already implemented underwriting and reporting changes to reduce risk and increase awareness of CRE trends and concentration. Since January 2004, have reduced our CRE exposure as a percentage of total loans outstanding by 8.5%. We have recently added new consumer loan products and reemphasized others to further reduce our relative CRE exposure.
- If CRE lending is curtailed throughout our market a downturn may be a self fulfilling prophecy. With the proposed criteria we are close enough to the concentration guidelines that we may limit further CRE lending which may be a disservice to our customers. Even though we feel that our underwriting, board and management oversight, and risk management processes are appropriate, further Management Information System requirements or higher Allowance for Loan Losses and/or capital requirements will be burdensome to our staff and could be costly to both our borrowers and our shareholders.

If the guidance is adopted, we feel it may need some changes:

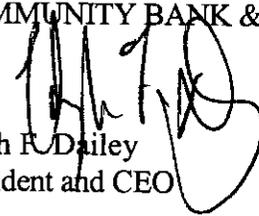
- Proposed guidance includes, in CRE concentrations, residential construction loans to individuals who have permanent financing in place. These loans do not represent the same risk as construction loans to developers on unsold units and should be excluded.
- Proposed guidance uses Call Report schedule RC-C items 1a, 1d, and 1e to identify institutions with CRE concentrations. 1e includes Commercial Real Estate loans for owner-occupied properties, which are excluded from the CRE definition and institutions are instructed to further analyze their loans and to quantify the dollar amount that meet the definition. A change in the Call Report to breakout owner-occupied CRE would make sense.
- Proposed guidance does not adequately define applicable CRE loans; i.e. are owner managed hotels vulnerable to cyclical commercial real estate markets?

In closing, we hope that this input will help you shape future guidelines. We understand your concerns, and we take your concerns seriously.

Please do not hesitate to call for additional details.

Very truly yours,

COMMUNITY BANK & TRUST OF FLORIDA


Hugh F. Dailey
President and CEO